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OCA INCOMISTAT

00 RUEATIB ZNR UUUUU ZOC STATE ZZH MS15450 DO RUEHO DE RUEHOR #2851 1521111 ZNR UUUUU ZZH O 311111Z MAY 88 FM AMEMBASSY GABORONE TO RUEHFO/USINFO WASHDC IMMEDIATE INFO RUEHC/SECSTATE WASHDC IMMEDIATE 4076 RUEHSA/AMEMBASSY PRETORIA 7229 RUEHLS/AMEMBASSY LUSAKA 5229 RUFHDR/AMEMBASSY DAR ES SALAAM 2395 RUEHTO/AMEMBASSY MAPUTO 2778 RUFHLD/AMEMBASSY LONDON 2573 RUEHSB/AMEMBASSY HARARE 3245 RUEHLG/AMEMBASSY LILONGWE 1454 RUEHMB/AMEMBASSY MBABANE 7424 RUEHRU/AMEMBASSY MASERU 6102 UNCLAS GABORONE 02851

Rep Dynally

SANCTIONS

USINFO FOR: P/M, AF-FELTHOUSEN, P/RMR, P/PFA, P/G. VOA/BRA, VOA/BXN, STATE FOR: AF/S-PERRY, AF/P, XA

E.O. 12356: N/A . SUBJECT: STATE DEPARTMENT POSITION ON DIAMNOND

INDEPENDENT WEEKLY "MMEGI WA DIKGANG" (THE REPORTER) OF 28 MAY 1988 RAN BUSINESS SECTION ARTICLE WITH THE TITLE "U.S. STATE DEPARTMENT REJECTS DIAMOND SANCTIONS" ARTICLE SUMMARIZED MARCH 22 CONGRESSIONAL TESTIMONY OF REP. MERVYN DYMALLY AND DAS RICHARD CORNELL ON DIAMNOND SANCTIONS. EXCERPTS FOLLOW:

"ON TUESDAY, THE SOUTH AFRICAN MEDIA CARRIED UNCONFIRMED REPORTS THAT THE BOTSWANA GOVERNMENT HAD ISSUED A PLEA FOR U.S. SANCTIONS NOT TO BE APPLIED TO SOUTH AFRICAN DIAMONDS. BUT IN FACT, THE ISSUE OF DIAMOND SANCTIONS HAS ALREADY BEEN DEBATED BEFORE THE U.S. HOUSE FOREIGN AFFAIRS COMMITTEE IN LATE MARCH. AND STATE DEPARTMENT REPRESENTATIVES ARGUED STRONGLY AGAINST THEM, DESPITE THE FACT THAT THE MOTION UNDER DISCUSION--THE DYMALLY AMENDMENT -- MADE SPECIFIC PROVISION FOR EXEMPTING THE DIAMONDS OF COUNTRIES SUCH AS BOTSWANA. OBSERVERS IN BOTSWANA HAVE LONG SUGGESTED THAT THE CLOSE RELATIONSHIP BETWEEN THE BOTSWANA GOVERNMENT AND DEBEERS AND THE RECENT INCLUSION OF BOTSWANA REPRESENTATIVES ON THE DEBEERS BOARD--COULD WELL HAVE A HIDDEN SPIN-OFF ADVANTAGE FOR SOUTH AFRICA IN PROTECTING PRETORIA FROM WHAT WOULD, POTENTIALLY, BE AN EXTREMELY DAMAGING FORM OF SANCTIONS." END EXCERPTS. APSLER END OF MESSAGE UNCLASSIFIED

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